SOUTHERN CALIFORNIA HOSPITAL ☒ **Culver City** ☒ **Hollywood** ☒ **Van Nuys**	Charity Care, Qualification and Process of Assignment	
Department:	☑ **Policy**	**Version #** 1
Section:	**Number:** PA.XXX	**Date Approved: 09/2022**

Policy History Prior to PolicyTech

Date of Review	6/2022					
Date of Revision	1/2022					

Charity Care

PURPOSE

To establish a policy for care that is rendered free of charge to individuals who, because of their financial status, are unable to pay for services provided. This policy extends to all patients accepted by Alta Hospitals System.

POLICY

Alta Hospitals System is committed to providing high quality, affordable hospital services to patients that are uninsured/underinsured. This policy establishes the guidelines for each campus to follow to communicate our policy, qualify patients for charity care and properly account for the revenue associated with providing this care.

COMPANION POLICIES AND PROCEDURES

This policy is a companion policy and procedure to the Low-Income Financial Assistance (LIFA) P&P and the Self-Pay P&P. Employees should be aware of all three policies to ensure the correct process is followed when serving our patients.

DETERMINATION/REVOKABILITY

Charity Care eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient's financial status or third-party coverage.

DEFINITIONS:

Charity Care

The term "Charity Care" means the providing of care, free of patient responsibility, to those patients who qualify under the Charity Care Criteria established by Alta Hospitals System.

Charity Care Patient

1. A patient whose family income is below or equal to the Charity Care Criteria equal to or less than 250% of the Federal Poverty (FPL) available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 562-293-3200. Financial Assistance is available to uninsured and underinsured patients, as well as the patient liability for patients with insurance, including charges determined uninsured for the hospital stay, coinsurance, copayment, deductible amounts, and other liabilities for medically necessary[1] hospital services.

   Per the Low-Income Financial Assistance (LIFA) section of this policy, qualifying patients between 251% and 400% of the FPL, WITHOUT INSURANCE, are responsible for 100% of current Medicare Fee for Service rates.

   Patients WITH INSURANCE qualifying for LIFA are responsible for 100% of the current Medicare Fee for Services rates. Financial Assistance may apply to the patient liability, including charges determined uninsured for the hospital stay, coinsurance, copayment, deductible amounts, and other liabilities for medically necessary hospital services

   Additionally, other uninsured patients may be eligible a self-pay discount at 40% of charges. This determination is made by Alta Hospitals System on a case-by-case basis, after evaluation of potential insurance options for the patient.

2. The first ten thousand dollars ($10,000) of a patient's monetary assets shall not be counted in determining eligibility or 50% of any monetary assets in excess of the first $10,000. Monetary assets shall not include retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensations plans.

SCOPE AND RESPONSIBILITIES

It is the responsibility of the VP of Patient Financial Services and Admitting Director to ensure that appropriate procedures, as described below, are in place to ensure appropriate action is taken.

[1] Alta Hospitals System determines medical necessity.

PROCEDURES:

Notice of Hospitals Charity Care Policy

The policy will be communicated in a manner consistent with applicable state and federal laws, to any patient who requests assistance in paying their portion of their bill. It is the policy of Alta Hospitals System to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for Charity Care. A Medi-cal application (SAWS1) form will be distributed to patients who do not indicate coverage by a third-party payer, or who requests a Charity Care application.

Financial information required of the patient to determine Charity Care eligibility:

The information described below assists in that process.

a. A completed financial assistance application (Mandatory)

b. Proof of Income:
   - **i.** Current pay stub
   - **ii.** Written verification of wages from employer
   - **iii.** Copies of unemployment letters
   - **iv.** Social Security checks
   - **v.** Disability checks
   - **vi.** Signed attestation stating patient is unemployed
   - **vii.** Most recent tax return if no current pay stub

c. Denial of coverage by governmental agency (Medicare, Medi-Cal, CCS, Healthy Families) (Discretionary).

If verification is either impossible or impractical a delegated Manager may complete the information with information received through interviews with those who know the patient's financial status.

Determination Process

Once all required documentation is received, every reasonable effort will be made to make a determination of charity assistance as soon as possible. A letter will be sent to the patient notifying him/her of the determination within 45 days after all documentation is received. The failure to provide information that is reasonable and necessary to make a determination concerning charity care may be considered by Alta Hospitals System in making its determination.

Collection Requirements

Patient accounts may not be sent to a collection agency if the patient is attempting to qualify for charity or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The account may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient's application.

Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must be provided without interest so long as the patient does not default on their payment arrangement.

Any account assigned for collection may not be reported against the patient's credit record for at least 180 days from the date the account was initially billed to the patient.

Discovery of Patient Financial Assistance Eligibility During Collections

While Alta Hospitals System strives to determine patient financial assistance as close to the time of service as possible, in some cases further investigation is required to determine eligibility. Some patients eligible for financial assistance may not have been identified prior to initiating external collection action. Alta Hospitals System collection agencies shall be made aware of this possibility and are requested to refer-back patient accounts that may be eligible for financial assistance. When it is discovered that an account is eligible for financial assistance, Alta Hospitals System will reverse the account out of bad debt and document the respective discount in charges as charity care.

Charity Write-off Account

Qualified patients receiving Charity Care will have 100% of their bill written off to the facility's Charity Care Transaction Code.

Presumptive Charity

Financial assistance may be granted in the absence of a completed application in situations where the patient does not apply but other available information substantiates a financial hardship. The reason for presumptive eligibility may be reflected in the transaction code used to adjudicate the patient's claim. Additional patient notes may also be included. Examples of exceptions where documentation requirements are waived include, but are not limited to:

- An independent credit-based financial assessment tool indicates indigence.
- An automatic financial assistance determination of 100% assistance is applied in the following situations provided other eligibility criteria are met:
    - Patient has an active Medicaid plan
    - Patient is eligible for Medicaid
    - Patients with current active Medicaid coverage will have assistance applied for past dates of service
    - Patient is deceased
- Determination of patient financial assistance eligibility by the Vice President of Revenue Cycle
- Presumptive eligibility tools may not be used for Medicare Fee for Service patients (as required by Centers for Medicare and Medicaid Services' bad debt regulations)

Non-Covered/Denied Medicaid or Indigent Care Program Services

Non-covered and denied services provided to Medicaid or other indigent care program eligible beneficiaries are considered a form of charity care. Medicaid beneficiaries are not responsible for any forms of patient financial liability and all charges related to services not covered, including all denials, are charity care. Examples may include, but are not limited to:

- Services provided to Medicaid beneficiaries with restricted Medicaid (i.e., patients that may only have pregnancy or emergency benefits, but receive other hospital care)
- Medicaid-pending accounts
- Medicaid or other indigent care program denials
- Charges related to days exceeding a length-of-stay limit

- claims (including out of state Medicaid claims) with "no payment"
- Any service provided to a Medicaid eligible patient with no coverage and no payment

Access to Healthcare During a Public Health Emergency

An Access to Healthcare Crisis must be proclaimed by executive management at Alta Hospitals System and attached to this patient financial assistance document as an addendum. An Access to Healthcare Crisis may be related to an emergent situation whereby state / federal regulations are modified to meet the immediate healthcare needs of Alta Hospitals System community during the Access to Healthcare Crisis. During an Access to Healthcare Crisis Alta Hospitals System may "flex" its patient financial assistance policy to meet the needs of the community in crisis. These changes will be included in the patient financial assistance policy as included as an addendum. Patient discounts related to an Access to Healthcare Crisis may be provided at the time of the crisis, regardless of the date of this policy (as hospital leadership may not be able to react quickly enough to update policy language in order to meet more pressing needs during the Access to Healthcare Crisis)

Emergency Physician

An emergency physician, as defined in Section 127450, who provides emergency medical services in a hospital that provides emergency care, is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

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Low Income Financial Assistance

PURPOSE

To establish an Alta Hospitals System policy for care that is rendered at a reduced fee for those who qualify for Low Income Financial Assistance (LIFA).

POLICY

Alta Hospitals System is committed to providing high quality, affordable healthcare services to patients that are uninsured/underinsured. This policy establishes the guidelines for each campus to follow to communicate our policy, qualify patients for low-income financial assistance and properly account for the revenue associated with providing this care.

COMPANION POLICIES AND PROCEDURES

This policy is a companion policy and procedure to the Charity Care P&P and the Self-Pay P&P. Employees should be aware of all three policies to ensure the correct process is followed when serving our patients.

DETERMINATION/REVOKABILITY

Charity Care eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient's financial status or third-party coverage.

DEFINITIONS:

Low Income Financial Assistance

The term "Low Income Financial Assistance" means the providing of care at a reduced fee to those patients who qualify under the low income financial assistance criteria established by Alta Hospitals System.

Low Income Financial Assistance Patient

A patient whose family income is above the Charity Care threshold but equal to or below 400% of the Federal Poverty Level (FPL) available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 562-293-3200. Or a patient with whose family income is below 400% of the Federal Poverty Level with High Medical Costs. High Medical Costs are defined as Annual out-of-pocket medical expenses that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months. Or annual out-of-pocket expense that exceed 10% of the patient's family income, if the patient provides documentation of the

patient's medical expenses paid by the patient or the patient's family in the prior 12 months.

SCOPE AND RESPONSIBILITIES

It is the responsibility of the VP of Patient Financial Services and Corporate Admitting Director at each facility to ensure that appropriate procedures, as described below, are in place to ensure appropriate action is taken.

PROCEDURES:

Notice of Hospitals Charity Care Policy

The policy will be communicated in a manner consistent with applicable state and federal laws, to any patient who requests assistance in paying their portion of their bill. It is the policy of Alta Hospitals System to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for LIFA. A Medi-Cal application (SAWS1) form will be distributed to patients who do not indicate coverage by a third-party payer, or who requests a Low-Income Financial Assistance application.

Financial information required of the patient:

It is the policy of Alta Hospitals System to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for LIFA. The information described below assists in that process.

1. A completed financial assistance application (Mandatory with limited exceptions as described in the Presumptive Charity section of this policy)

2. Proof of Income:
   i. Current pay stub
   ii. Written verification of wages from employer
   iii. Copies of unemployment letters
   iv. Social Security checks
   v. Disability checks
   vi. Signed attestation stating patient is unemployed
   vii. Most recent tax return if no current pay stub

3. Denial of coverage by governmental agency (Medicare, Medi-Cal, CCS, Healthy Families)

(Discretionary).

If verification is either impossible or impractical a delegated Manager may complete the information with information received through interviews with those who know the patient's financial status.

Uninsured Adjustments to Accounts

Qualified patients WITHOUT INSURANCE receiving LIFA will be billed at 100% of the Medicare DRG for inpatient and OPPS rate for outpatient services provided. The facility's Low-Income Financial Assistance Transaction Code will be used to adjust the balance remaining.

Underinsured Adjustments to Accounts

Qualified patients WITH INSURANCE receiving LIFA will have 100% of their patient responsibility above the Medicare allowed written off to the facility's Low Income Financial Assistance Transaction Code. Eligibility is determined according to the patient's family income less than 400% of the Federal Poverty Level, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 562-293-3200.

LIFA for Insured Patients: Financial Assistance may be applied to uninsured patients, as well as the patient liability for patients with insurance, including charges determined uninsured for the hospital stay, coinsurance, copayment, deductible amounts, and other liabilities for medically necessary hospital services.

Determination Process

Once all required documentation is received, every reasonable effort will be made to make a determination of financial assistance as soon as possible. A letter will be sent to the patient notifying him/her of the determination within 45 days after all documentation is received. The failure to provide information that is reasonable and necessary to make a determination concerning financial assistance may be considered by Alta Hospitals System in making its determination.

Collection Requirements

Patient accounts may not be sent to a collection agency if the patient is attempting to qualify for financial assistance or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The account may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient's application.

Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must be provided without interest so long as the patient does not default on their payment arrangement.

If the patient is appealing a denial of insurance coverage or payment and is making a reasonable effort to keep the hospital informed, the account may not be credit reported until a final determination is made on the appeal.

Emergency Physician

An emergency physician, as defined in Section 127450, who provides emergency medical services in a hospital that provides emergency care, is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

Eligibility Procedures

Charity and Low Income Financial Assistance Application

- A notice regarding financial assistance is included in all patient packets.
- A charity application is distributed to all uninsured patients at registration.
- Uninsured patients will be provided an application for Medi-Cal, Healthy Families, or other governmental programs.
- Uninsured patients whose total family income is less than 400% of the federal poverty level will be eligible for charity care or low income financial assistance.
- The first $10,000 of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first $10,000 be counted in determining eligibility.
- For purposes of determining eligibility, a patient's family is defined as a patient, 18 years or older, any domestic partner, dependent children under age 21 (living at home or not); or a patient under the age of 18, parents, caretaker relatives and other children under 21 who are the children or the responsibility of the caretaker relative.
- A complete application must be submitted (limited exceptions as disclosed in the Presumptive Charity Section of this policy).
- Proof of income is required for validation, if no income patient must sign an attestation of unemployment.
- Asset verification is considered.

Guidelines for Reviewing Charity Care and Low Income Financial Assistance Applications:

- Upon receipt of the application, the application is reviewed by staff at the CBO to determine if the application has been completed and the supportive documents are attached.
- The patient will continue to receive statements but will not be sent to acollection agency during the review process.
- If the application is incomplete, the patient is sent a letter requesting themissing information.
- The patient is given 15 days to return the requested documents.
- If the requested information is not received within 15 days, the patient will be called before canceling charity application.
- Once the application is complete, the application is forwarded to theCBO Director for determination.
- Once the application is approved, the patient will be sent an approval letter.
- The financial class will be updated, and adjustment form submitted.
- If the application is denied, the patient will be sent a denial letter with explanation.
- The CBO will make every reasonable effort to make the charity/low-income financial assistance determination as soon as possible.